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From:

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To:

Cc:

Subject: RE: Pass-Through Entity as TMP files for Bankruptcy

Yes. If a theoretical claim could be filed in a bankruptcy proceeding the TMP items convert under treas. Reg. 301.6231(c)-7 and its status as TMP terminates under 301.6231(a)(7)-1(L), even if it is a pass-thru entity. But its indirect partners stay in the TEFRA proceeding under Third Dividend Dardanos (9th Cir). In other words, the bankruptcy of the agent through whom you hold your partnership interest takes your agent out of the proceeding, but does not take you, an "indirect partner" out. Id.